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IDAHO PUBLIC UTILITIES COMMISSION

Avista Corp.

1411 East Mission P.O. Box 3727 Spokane, Washington 99220-0500 Telephone 509-489-0500 Toll Free 800-727-9170

VIA: Electronic Mail

June 1, 2016

Jean D. Jewell, Secretary Idaho Public Utilities Commission P O Box 83720 Boise, ID 83720-0074

RE: CASE NO. AVU-E-16-04

UPDATE TO PUBLISHED AVOIDED COST RATES TO REFLECT AN UPDATED NATURAL GAS PRICE FORECAST OF THE U.S. ENERGY INFORMATION ADMINISTRATION (ETA)

Dear Ms. Jewell:

Avista Corporation dba Avista Utilities (Avista or Company) received the letter from the Idaho Public Utilities Commission (IPUC) dated May 27, 2016 notifying the Company of the annual update to published avoided cost rates to reflect an updated natural gas price forecast of the U.S. Energy Information Administration (EIA). The Company has reviewed the new published avoided cost rates and agrees that the calculations are correct.

Please direct any questions on this matter to Clint Kalich at (509) 495-4532 or myself at (509) 495-4975.

Sincerely,

/s/ Linda Gervais

Linda Gervais Manager, Regulatory Policy Avista Utilities linda.gervais@avistacorp.com